

# Social democrats pave way for return of right-wing Popular Party in Spain

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With the count complete, the right-wing Popular Party (PP) won 186 seats in Spain's 350-seat Congress in Sunday's election compared with 154 in the last parliament. With an absolute majority, the PP will be able to pass legislation without recourse to smaller parties and control all the organs of state, including the courts.

The PP won 44.6 percent of the vote compared to the outgoing Socialist Workers Party's (PSOE) 28.7 percent. The vote for the social democrats slumped by five million and the number of seats held by the PSOE plunged from 169 to 110, in its worst performance ever.

The PP was able to capitalise on the social disaster brought about by the global financial crisis and the austerity measures imposed by the PSOE, aided and abetted by the ex-left groups and trade unions that supported it in government. The outcome of the elections is a serious warning to the working class.

In 2004, the PP was driven from office, with the PSOE under José Luis Rodríguez Zapatero securing 42 percent of the vote in a historically high turnout of 77.2 percent. The PSOE received 10.9 million votes—the highest number of votes of any party ever—and the PP's vote dropped by 700,000. The vote in particular reflected massive popular opposition to the war in Iraq, which then-PP leader José Maria Aznar supported by sending Spanish troops to back the US occupation.

But the PSOE was the undeserving beneficiary of the anti-PP sentiment, and was to cruelly betray the mandate for fundamental political and social change.

In the aftermath of the 2008 financial crisis, it has imposed savage spending cuts, including a 15-billion-euro austerity package, wage cuts of 15 percent and attacks on pensions. This is under conditions of widespread hardship and unemployment levels close to five million, or 21.52 percent of the workforce and 50

percent among 18-to-25-year-olds.

This even enabled the PP to pose as an opponent of cuts, if only by remaining silent about its own intentions.

Even so, Spain remains a social powder keg. Much of the world's press crowed that the vote represented a swing to the right. In fact, the PP only increased its vote from 10.2 million to 10.8 million votes. Nearly 10 million voters, over 28 percent, abstained. The swing to the PP was for the most part due to the collapse of the PSOE vote from 11.1 million in 2008 to 6.9 million.

This shift also benefited the pseudo-left parties such as the United Left, which saw its number of seats increase from two in 2008 to 11. The new Basque coalition Amaiur went from zero to seven seats in Congress and now outnumbers the region's traditional Basque Nationalist Party, which only won five seats.

For the new government to meet the public deficit target of 4.4 percent of gross domestic product by the end of 2012—the PSOE failed to meet the 6 percent for this year—it will have to slash spending by 30 billion euros (\$41 billion), twice as much as the PSOE, at a time when the economy is sinking deeper into recession.

Fearful that Spain faces a crisis of revolutionary proportions, new PP Prime Minister Mariano Rajoy called for Spaniards of all political persuasions to work together.

"It is no secret to anyone that we are going to rule in the most delicate circumstances Spain has faced in 30 years," he said. "We stand before one of those crossroads that will determine the future of our country, not just in the next few years but for decades."

He combined this with an appeal for the financial markets to realise "that there are elections and that the winners must be given a little room for manoeuvre that

should last more than half an hour.”

There were, he added, “no miraculous cures to solve Spain’s economic troubles.” He must act, while seeking to avoid creating “artificial division.”

But the global financial oligarchy interpreted Rajoy’s appeals, even though they come from the major party of the ruling elite—the political heirs of the dictator General Francisco Franco—as a sign of weakness.

The PP’s domestic political calculations do not count for much to the global banks, which have been behind the installation of unelected technocratic governments in Greece and Italy.

The common demand of the “financial markets” is for the new government to grit its teeth and immediately impose greater austerity measures, further slashing living standards, “reforming” employment protection laws and destroying what remains of the welfare state.

To underline their diktat, on Monday interest rates on the country’s 10-year bond rose by 12 basis points to 6.56 percent. These are far above Germany’s rates of 1.88 percent and close to the 7 percent levels that prompted Greece, Ireland and Portugal to request huge bailouts from the European Union and the International Monetary Fund earlier this year. Madrid’s Ibex stock exchange dropped nearly two percent in early trading.

Spain is now considered to be less creditworthy than Italy, where former European Union commissioner Mario Monti has been installed as prime minister. Charles Grant, the director of the Centre for European Reform, declared contemptuously, “Little is known about him [Rajoy] outside Spain... He reminds me of Zapatero. If it is going to be that way, Spain will continue to lose influence.”

A Madrid-based bond trader told Reuters, “They [the PP] still haven’t done anything so it makes sense there’s no support from the market. It’s good they’ve won a majority, but the global economy remains in a bad way, and this won’t change one day to another... The problem remains. There are no clients. There is no interest. Maybe the ECB [European Central Bank] is buying bonds, but it’s the only one that is.”

Another said, “Rajoy says he can rebuild market confidence in Spain but his arrival isn’t enough and he hasn’t said anything ‘magical’ tonight. The crisis is moving too fast; in this environment bond markets might not extend him credit while we wait.”

The vice chairman of Spain’s largest employers’ organisation, the Spanish Confederation of Business Organizations, Arturo Fernández, said the bond rates were not “sustainable” and the country was on the “edge of an abyss.”

Whatever their concerns regarding the political and social stability of Spain, Rajoy’s government will do as it is told. Spanish workers face a brutal offensive that will make the pain inflicted on them to date pale in comparison.

Rajoy’s appeal for national unity is a fraud. Whatever time and leeway the PP is given will be used only in order to mobilise its supporters in big business and the upper layers of the petty-bourgeoisie, including the pro-Falangist elements on the party’s periphery, as an effective force against the working class.

Workers and youth must articulate their own response to the collapse of the PSOE and put an end to the ability of the bourgeoisie to dictate the political and social agenda.

This means building a new and genuinely socialist party.

Such a party must be free from the grip of the trade union bureaucracy that has spent the past years propping up the PSOE and sabotaging the fight for jobs and living standards, and which will perform the same service for the PP.

It must be based upon a programme for the reorganisation of economic life to meet social need, not private profit, capable of uniting workers in Spain with their class brothers and sisters across the continent on the struggle against the capitalist institutions of the European Union and for the United Socialist States of Europe.

This is the perspective advanced by the International Committee of the Fourth International.



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